

ILLINOIS COMMERCE COMMISSION

DOCKET NO. 00-0722

ILLINOIS
COMMERCE COMMISSION
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CHIEF CLERK'S OFFICE

DIRECT TESTIMONY

OF

THOMAS M. GOLDEN

Submitted On Behalf

Of

UNION ELECTRIC COMPANY

d/b/a AmerenUE

March 30, 2001

THE STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

Illinois Commerce Commission)

On Its Own Motion)

vs.)

Case No. 00-0722

Union Electric Company)

d/b/a AmerenUE)

Reconciliation of revenues collected under)

Gas adjustment charges with actual costs)

AFFIDAVIT OF THOMAS M. GOLDEN

STATE OF MISSOURI)

) SS

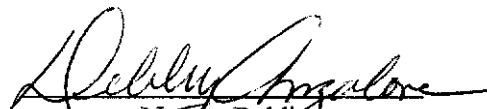
CITY OF ST. LOUIS)

Thomas M. Golden, being first duly sworn on his oath, states:

1. My name is Thomas M. Golden. I am Supervisor of the Fuel Accounting Section of Ameren Services.
2. Attached hereto and made a part hereof for all purposes is my Direct Testimony consisting of 5 pages and attached Schedules TMG-1 through TMG-4, inclusive, all of which have been prepared in written form for introduction into evidence in the above-referenced docket.
3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct.


Thomas M. Golden

Subscribed and sworn to before me this 22 day of MARCH, 2001.


Notary Public

DEBBY ANZALONE
Notary Public - Notary Seal
STATE OF MISSOURI
St. Louis County
My Commission Expires: April 18, 2002

ILLINOIS COMMERCE COMMISSION

DOCKET NO. 00-0722

DIRECT TESTIMONY OF THOMAS M. GOLDEN

UNION ELECTRIC COMPANY d/b/a AmerenUE

1 Q. Please state your name and business address.

2 A. My name is Thomas M. Golden. My business address is 1901 Chouteau Avenue, St. Louis,
3 Missouri.

4 Q. By whom are you employed and in what capacity?

5 A. I am the Fuel Accounting Supervisor in the Accounting Department of Ameren Services
6 Company, a service company affiliate of Union Electric Company which does business as AmerenUE.
7 My responsibilities include direct supervision of the accounting for AmerenUE's inventories of fuel,
8 including natural gas and propane. I am also responsible for the calculations necessary to implement
9 the Company's Illinois Uniform Purchased Gas Adjustment Clause ("PGA").

10 Q. Please describe your educational background and work experience.

11 A. I received a Bachelor of Arts degree in Business Administration from Central Methodist
12 College in May 1969. I received a Masters in Business Administration from Webster University in
13 May 1992. I was employed by Union Electric in June 1969 and held several positions as an accountant
14 in the various departments of the Controller's function. For 11 years I served as a billing supervisor in
15 the Customer Accounts Department. I was appointed to my present position of Fuel Accounting
16 Supervisor in November 1996 and to the same position with Ameren Services Company upon
17 completion of the Union Electric/CIPSCO Inc. merger in December 1997.

18 Q. What is the extent of your participation in this docket?

1 A. This docket is the twenty-third annual reconciliation proceeding related to AmerenUE's Illinois
2 PGA. The Commission, in its Order in this docket dated November 8, 2000, has required AmerenUE
3 to reconcile its total cost of gas with the recovery of such costs through the monthly filing of schedules
4 associated with its PGA. My direct responsibility in this case is to describe the development of monthly
5 PGA filings and how the data developed for the reconciliation of the Company's total gas costs
6 compares with its PGA recoveries for the twelve-month reconciliation period ending December 31,
7 2000.

8 Q. Please describe the procedures you and your department follow in producing and filing the
9 Company's monthly PGA submittal to the Commission.

10 A. The monthly PGA is calculated using the Company's reports for sales and estimated unbilled
11 volumes. Purchased gas costs are compiled by Ameren Services' Gas Supply Department in
12 worksheet form. Appropriate sales volumes and costs are extracted and used in spreadsheets filed as
13 Schedules I, II, or III. The "actual" revenues reported in the Schedules are estimated based on actual
14 rates for billed and estimated unbilled volumes. The schedules are then sent to the Commission and its
15 Staff. Supporting documentation is also included in the monthly filing for any refunds to be initiated.

16 Q. Please describe the procedures followed in producing and filing the Company's annual PGA
17 reconciliation.

18 A. The "costs" portions of the annual reconciliation are taken from worksheets supplied by
19 Ameren Services' Gas Supply Department. PGA revenues are calculated from Company reports.
20 Adjustments are made for cycle billing (unbilled volumes) and Company use.

21 Q. Are you sponsoring schedules to your direct testimony to show the reconciliation of total gas
22 costs?

1 A. Yes, in compliance with 83 Ill. Admin. Code 525 (Uniform PGA Clause), I have prepared
2 Schedule TMG-1 to show the recovery of the AmerenUE's total allowable gas costs over the twelve-
3 month reconciliation period ending December 31, 2000.

4 Q. Please describe Schedule TMG-1 to your testimony.

5 A. Schedule TMG-1 identifies all components of the annual reconciliation in one document. Each
6 tariffed gas cost component is individually identified and a total is provided. Workpapers supporting
7 this Schedule have been provided to the Commission Staff in response to data requests.

8 Q. Was Schedule TMG-1 prepared on the same basis and in the same manner as the comparable
9 schedule from the previous annual PGA reconciliation case covering the twelve-month period ending
10 December 31, 1999?

11 A. Yes, it was.

12 Q. You stated above that an adjustment was made for cycle billing. Please describe how the cycle
13 billing adjustment was calculated.

14 A. The Company bills its customers by billing districts, or cycles, which do not coincide with
15 calendar months. Therefore, while we will deliver gas to a customer on December 31, that customer
16 will not be billed for that gas until that customer's normal billing cycle which may be as much as 30
17 days later. Since the Company purchases gas on a calendar month basis, a correction for cycle billing
18 and monthly gas costs must be performed. To reconcile costs with PGA revenues for the
19 reconciliation period, January 1, 2000 through December 31, 2000, a calculation is made at the
20 beginning of the period and at the end of the period to obtain PGA revenues associated only with the
21 costs incurred during the calendar year reconciliation period. The cycle billing adjustment is included in
22 line 6 of Schedule TMG-1 to my testimony.

1 Q. Are you sponsoring any other schedules to your testimony?

2 A. Yes, I am. During the discovery state of this proceeding in responding to various Commission
3 Staff data requests, inaccuracies were found in some of the Company's monthly PGA filings. I have
4 prepared the following schedules to describe the inaccuracies:

5 Schedule TMG-2, Reconciliation of Purchased Gas
6 Adjustment Clause for the Twelve Months Ended
7 December 31, 2000 Reflecting Company Proposed
8 Adjustments.

9
10 Schedule TMG-3, Gas Costs Reconciliation with inaccuracy
11 Identified as item (C) and supporting documentation.

12
13 Q. Please describe these Schedules.

14 A. Schedule TMG-2 is a revision of Schedule TMG-1 which identified and reconciled components
15 of the Company's 2000 gas costs and recoveries. The revised Schedule shows the adjustments
16 proposed by the Company to these components to correct the errors found in our monthly
17 PGA filings. It includes as a line item entitled "Requested Factor 0" the total amount of the
18 corrective adjustments which the Company requests the Commission to approve as the
19 Ordered Reconciliation Factor in this proceeding.

20 Schedule TMG-3 was prepared as a response to Commission Staff Data Request GS-3, items
21 b and c. This schedule summarizes the errors found as items (A) through (C) and includes
22 supporting documentation explaining the error (C) that requires an adjustment. Responses to
23 Data Request GS3-b will explain why items (A) and (B) do not require an adjustment.

24 Q. Mr. Golden, please summarize the Company's error.

1 A. January estimated fuel costs were included in the PGA calculation for April and the PGA costs
2 were never adjusted for the difference between January actual costs and January estimated
3 costs. This resulted in \$3915.82 of fuel costs and being included in the PGA calculations.

4 Q. What is the overall effect of the Company's error and what corrective adjustment does the
5 Company propose?

6 A. The net result of the Company's error is that the Company has under recovered gas costs from
7 its customers by \$261,052 instead of by \$257,136 as reported in Schedule TMG-1. To correct
8 this error and to allow the Company to recover the appropriate amount from its customers, we
9 request that the Commission approve the difference between these amounts, that is \$3,916, as
10 the Ordered Reconciliation Factor in this docket.

11 Q. Were the revenue and cost data presented in the Schedules to your testimony audited by an
12 independent auditor?

13 A. Yes. PricewaterhouseCoopers LLP audited AmerenUE's records and copy of their audit
14 report is attached to my testimony as Schedule TMG-4.

15 Q. Does this conclude your testimony?

16 A. Yes, it does.

UNION ELECTRIC COMPANY

Reconciliation of Purchased Gas Adjustment Clause
for the Twelve Months Ended December 31, 2000

<u>Line</u>		<u>COMMODITY</u>	<u>DEMAND</u>	<u>TPC</u>	<u>Total</u>
1	Unamortized Balance as of 12/31/999 Per 1999 Reconciliation	\$ -	\$ -	\$ -	\$ -
2	Factor A Adjustments Amortized to Schedule 1 at 12/31/99	213,785	295,905	3,831	513,521
3	Factor O Collected/(Refunded) During 2000	<u>(20,959)</u>	<u>(21,492)</u>	<u>3,821</u>	<u>(38,630)</u>
4	Balance to be Collected/(Refunded) During 2000 from prior periods	192,826	274,413	7,652	474,891
5	2000 Gas Costs	9,956,510	2,500,352	-	12,456,862
6	2000 PGA Revenues	(9,512,128)	(3,157,123)	(7,568)	(12,676,819)
7	Pipeline Surcharges/(Refunds)	-	(1,047)	-	(1,047)
8	Other Adjustments	-	-	-	-
9	Interest	<u>3,249</u>	<u>-</u>	<u>-</u>	<u>3,249</u>
10	2000 Under/(Over) Recovery	447,631	(657,818)	(7,568)	(217,755)
11	Under/(Over) Recovery balance at 12/31/00	640,457	(383,405)	84	257,136
12	Factor A Adjustments Amortized to Schedule 1 at 12/31/00	640,457	(383,405)	84	257,136
13	Unamortized Balance at 12/31/00	-	-	-	-
14	Requested Factor O	-	-	-	-

UNION ELECTRIC COMPANY
Reconciliation of Purchased Gas Adjustment Clause
for the Twelve Months Ended December 31, 2000
Reflecting Company Proposed Adjustments

<u>Line</u>		<u>COMMODITY</u>	<u>CGC</u> <u>Adjustment</u>	<u>DEMAND</u>	<u>DGC</u> <u>Adjustment</u>	<u>TPC</u>	<u>TPC</u> <u>Adjustment</u>	<u>Total</u>	<u>Total</u> <u>Adjustments</u>	<u>Final</u>
1	Unamortized Balance as of 12/31/999 Per 1999 Reconciliation	\$ -		\$ -		\$ -		\$ -	-	\$ -
2	Factor A Adjustments Amortized to Schedule 1 at 12/31/99	213,785		295,905		3,831		513,521	-	513,521
3	Factor O Collected/(Refunded) During 2000	<u>(20,959)</u>		<u>(21,492)</u>		<u>3,821</u>		<u>(38,630)</u>	-	<u>(38,630)</u>
4	Balance to be Collected/(Refunded) During 2000 from prior periods	192,826		274,413		7,652		474,891	-	474,891
5	2000 Gas Costs	9,956,510	5,040	2,500,352	(1,124)	-	-	12,456,862	3,916	12,460,778
6	2000 PGA Revenues	(9,512,128)	-	(3,157,123)	-	(7,568)	-	(12,676,819)	-	(12,676,819)
7	Pipeline Surcharges/(Refunds)	-	-	(1,047)	-	-	-	(1,047)	-	(1,047)
8	Other Adjustments	-	-	-	-	-	-	-	-	-
9	Interest	<u>3,249</u>	-	-	-	-	-	<u>3,249</u>	-	<u>3,249</u>
10	2000 Under/(Over) Recovery	447,631	5,040	(657,818)	(1,124)	(7,568)	-	(217,755)	3,916	(213,839)
11	Under/(Over) Recovery balance at 12/31/00	640,457	5,040	(383,405)	(1,124)	84	-	257,136	-	261,052
12	Factor A Adjustments Amortized to Schedule 1 at 12/31/00	640,457		(383,405)		84		257,136	-	257,136
13	Unamortized Balance at 12/31/00	-		-		-		-		
14	Requested Factor O	-	5,040	-	(1,124)	-	-	-	-	3,916

GS-3b

UNION ELECTRIC COMPANY
Gas Costs Reconciliation
2000

Gas Costs as Recorded on Books in 2000

Account 804 (As recorded in Form 21 ILCC)	\$	13,257,937
Account 808.1	2,236,239.21	
Account 808.2	(3,031,197.05)	(794,957.84)
Account 728		-

Total Book Gas Cost - 2000	\$	12,462,979
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Company Use	(4,440)	
Refund recorded on August 2000 filing	1,047	
Erroneous double booking of refund referred to above	1,047	(A)
Incorrect booking of Meramec CTG	(30)	(B)
December 1999 adjustment recorded in January 2000	175	
January true-up never included in PGA	(3,916)	(C)

\$	12,456,862
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Per Annual Reconciliation

Demand	\$	2,500,352
Commodity		9,956,510
Take or Pay		-

\$	12,456,862
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\$	(0)
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C

**EXPLANATION OF JANUARY TRUE UP
NEVER INCLUDED IN PGA**

January estimated fuel costs were included in the PGA calculation for April and the PGA costs were never adjusted for the difference between January actual costs and January estimated costs. See attached schedule C-1 for an explanation of the differences. This \$3,915.82 is an additional cost that I would recommend be included in the ordered reconciliation factor.

(C1)

JANUARY 2000 TRUE-UP
(April 2000 PGA)

	January <u>Actual</u>	January <u>Estimate</u>	<u>True-Up</u>	
Reservation	66,371.95	67,218.12	(846.17)	(a)
Other Services	120,916.41	121,194.10	(277.69)	(a)
Storage	21,491.87	21,491.87	-	
Commodity	1,098,128.24	1,092,946.53	5,181.71	(b)
Commodity Transportation	<u>3,783.49</u>	<u>3,925.52</u>	<u>(142.03)</u>	(b)
	<u>\$ 1,310,691.96</u>	<u>\$ 1,306,776.14</u>	<u>\$ 3,915.82</u>	

(a) \$ (1,123.86) Demand costs would have been less by this amount.

(b) \$ 5,039.68 Commodity costs would have been more by this amount

\$ 3,915.82 Total adjustment required to gas costs



AmerenUE

**Schedule of Recoverable Gas Costs
and Gas Charge Revenues
For the Year Ended December 31,
2000**

PricewaterhouseCoopers LLP
800 Market Street
St. Louis MO 63101
Telephone (314) 206 8500

Report of Independent Accountants

To the Board of Directors of
Ameren Corporation

We have audited the accompanying schedule of recoverable gas costs and gas charge revenues of AmerenUE for the year ended December 31, 2000. That schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on that schedule based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the schedule. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the schedule. We believe that our audit provides a reasonable basis for our opinion.

The accompanying schedule was prepared in conformity with the accounting practices prescribed by the Illinois Purchased Gas Adjustment Rider ordered by the Illinois Commerce Commission, as described in the accompanying notes to schedule, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the accompanying schedule presents fairly, in all material respects, recoverable gas costs and gas charge revenues in accordance with the accounting practices presented in the Illinois Purchased Gas Adjustment Rider, as described in the notes to schedule, for the year ended December 31, 2000.

This report is intended solely for the information and use of the Board of Directors and management of Ameren Corporation and the Illinois Commerce Commission and is not intended to be and should not be used by anyone other than these specified parties.

PricewaterhouseCoopers LLP

February 28, 2001

AmerenUE

**Schedule of Recoverable Gas Costs and
Gas Charge Revenues
For the Year Ended December 31, 2000**

Recoverable gas costs:

Commodity costs	\$ 9,961,550
Demand costs	2,499,228
Other costs/(refunds), net	<u>2,202</u>

12,462,980

Gas charge revenues

12,676,819

\$ (213,839)

The accompanying notes are an integral part of Schedule I.

AmerenUE

Notes to Schedule For the Year Ended December 31, 2000

Basis of Presentation

In accordance with 83 Ill. Admin. Code 525, the accompanying schedule presents the difference between recoverable gas costs and gas charge revenues arising from application of company's schedule of rates contained in its Illinois Purchased Gas Adjustment Rider in effect during the year ended December 31, 2000. The accompanying schedule is presented on the accrual basis of accounting and excludes reconciliation balances from prior years.

Recoverable Gas Costs

Commodity costs represent the costs of gas purchased for resale and withdrawn from storage during the year. Demand costs represent the costs of storage and transportation of gas. Other costs/(refunds), net, includes pipeline surcharges and refunds, interest costs and other non-commodity direct costs. Recoverable gas costs excludes the estimated cost of gas used by the company for internal purposes.

Gas Charge Revenues

Gas charge revenues represent revenues billed to customers during the year resulting from application of the schedule of rates contained in the company's Illinois Purchased Gas Adjustment Rider. Gas charge revenues also includes a cycle billing adjustment based on the difference between prior year-end and current year-end unbilled gas revenues.